

Coyote Canyon Chapter Corrective Action Plan 12-Month Follow Up

Objective

In accordance with 12 Navajo Nation Code, Section 7(G), the Office of the Auditor General conducted a twelve month follow up review on the status of the Coyote Canyon Chapter corrective action plan that was approved by the Budget and Finance Committee on April 03, 2001 per resolution number BFAP-39-01. Our objective for the follow up was to determine whether the Coyote Canyon Chapter implemented its corrective action plan and resolved the findings reported in audit report no. 00-16.

Scope and Methodology

In meeting our objective, we reviewed chapter activities for the six month period beginning April 01, 2002 through September 30, 2002. Our review consisted of interviews with Chapter staff, observation of Chapter operations and verification of Chapter financial transactions. In verifying financial transactions, we examined available documentation regarding cash receipts, disbursements, temporary personnel and financial reporting. Sampling procedures were employed to specifically test cash receipts and disbursements for supporting documentation, proper approval and compliance with applicable laws, funding guidelines, policies and procedures.

Review Results

Our review has found that the Coyote Canyon Chapter has fully implemented a majority of its corrective action plan. Accordingly, the Chapter has resolved most of the audit findings. We found that the Coyote Canyon Chapter was able to resolve most of the internal control deficiencies by adopting and implementing its five management system policies and procedures. However, there were some corrective actions that were not fully implemented. The Chapter indicated that their corrective efforts were hindered primarily by the lack of assistance and training.

The Chapter stated that adequate assistance was not provided by its respective Local Governance Support Center (LGSC) since January 2002. The Chapter claims that the Office Specialist was hired in February of 2002 but did not receive any LGSC training until October 2002. The Office Specialist indicated that, in the absence of LGSC assistance, she is learning on the job with self training and guidance from the Community Services Coordinator. However, LGSC refutes the Chapter's claim of lack of assistance. The Fort Defiance LGSC Agency provided documents of various training offered to the Coyote Canyon Chapter on a variety of topics.

The pending corrective actions that remain are minimal and their incomplete implementation status does not pose a substantial risk of financial loss to the Chapter. We also observed that the Chapter Officials and staff are working well together and have made a committed effort to continue improving Chapter operations and services. Considering this, we do not recommend that sanctions be imposed against the Coyote Canyon Chapter and its officials as provided in 12 N.N.C. Sections 9(B) and 9(C).

Conclusion

Overall, the Coyote Canyon Chapter has made considerable improvement since the initial audit. The Chapter has demonstrated a significant effort in implementing its corrective action plan and has resolved most of the audit findings presented in audit report 00-16. With an improved accounting system and stronger internal controls, the Coyote Canyon Chapter is able to provide reasonable assurance that all chapter assets and resources are properly accounted for and adequately safeguarded from any loss.